

Policy on the Engagement of the External Auditor for the Provision of Non-Audit Services

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Group Secretariat

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1. PURPOSE

- 1.1 This document outlines the Audit Committee's policy on the provision of non-audit services by the External Auditor to Ibstock Plc and its subsidiaries (the 'Group').
- 1.2 The underlying objective of this policy is to ensure that the provision of non-audit services does not impair, or is not perceived to impair, the External Auditor's independence or objectivity.
- 1.3 This policy applies to all companies, businesses and functional areas within the Group and to all situations where it is proposed to engage with the External Auditor for the provision of non-audit services.

2. OBJECTIVES

- 2.1 The objectives of this policy are to ensure:
- that the objectivity and independence of the External Auditor is not impaired or perceived to be impaired by either the nature or the extent of the level of non-audit services provided to the Group;
 - that the Group has a transparent and workable process to enable the Audit Committee to ensure compliance with the policy; and
 - that non-audit services which may be supplied by the External Auditor are clearly identified and receive the correct approval.

3. PERMITTED NON-AUDIT SERVICES

- 3.1 This policy has been updated to comply with the Financial Reporting Council's Revised Ethical Standard 2024 (the 'FRC's Ethical Standard') and with the non-audit services restrictions applying to listed entities.
- 3.2 An extract of the FRC's Ethical Standard, setting out the non-audit services that the External Auditor may be permitted to provide, is included in the appendix.

4. LIMITATIONS

- 4.1 Any arrangement with the External Auditor that includes contingent fee arrangements is not permitted.
- 4.2 Any appointment must take into account the External Auditor's analysis of the proposed service under the FRC's Ethical Standard.
- 4.3 The total fees for non-audit services provided by the External Auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Group paid to the External Auditor in the last three

consecutive financial years. Both management and the External Auditor must monitor non-audit fees to ensure the 70% cap is not breached.

- 4.4 Where exceptional circumstances arise, any application for approval or relief in relation to the non-audit services cap shall be considered and, if appropriate, made to the Competent Authority (currently the FRC) in accordance with applicable law and regulation.

5. PRE-APPOINTMENT CRITERIA

- 5.1 The following criteria must be met before the External Auditor is proposed to provide such non-audit services as set out in the appendix.
- that the firm has the necessary skills and experience to undertake the work and the work is reasonably priced, having taken account of the Group's usual procurement process in making this assessment;
 - that there are no potential conflicts that may arise as a result of carrying out this activity;
 - that, in each case, the Lead Partner for the assignment should not be the same as the Lead Audit Partner, except in respect of matters involving or derived from the provision of audit services;
 - that they do not place themselves in a position where they audit their own work or take management decisions on the Group's behalf; and
 - that they do not place themselves in the role of advocate for the Group i.e. promote or be perceived to promote the Group's position to the point where objectivity may be impaired.
- 5.2 For any non-audit work deemed by the Chair of the Committee to be significant, the External Auditor should provide a formal confirmation of independence.

6. APPROVAL

- 6.1 All proposed non-audit services provided by the External Auditor must be approved in advance by the Audit Committee unless the proposed fee is below £10,000, where the Chair of the Audit Committee has authority to approve at the request of the Chief Financial Officer.
- 6.2 Before any approval is granted, the Audit Committee (or its delegate within the approved authority limits) shall consider and document the threats to independence and objectivity and the safeguards applied, including whether an objective, reasonable and informed third party would conclude that independence is not compromised.

7. REPORTING

- 7.1 The Chief Financial Officer should provide a report to the Audit Committee at least twice per year setting out the non-audit services work that has been committed to or undertaken by the External Auditor.
- 7.2 The report should include details of how the pre-appointment criteria set out above have been met, e.g. the costs concerned, justification of why the External Auditor is best placed to provide the service, confirmation of how independence and objectivity will be maintained between the Group and External Auditor and, where relevant, provide details of other external audit firms or advisers considered to provide the relevant non-audit service. The

report may also include details of non-audit services work committed to or undertaken by other external audit firms.

8. CONFIRMATION OF INDEPENDENCE

- 8.1 The Audit Committee should seek annually from the External Auditor confirmation of continued independence, along with information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including those regarding the rotation of audit partners and staff.
- 8.2 The External Auditor is expected to adhere to the relevant FRC Ethical Standard in place at all times.

9. POLICY REVIEW

- 9.1 The Audit Committee will review this policy annually.

Group Secretariat
May 2026

Appendix: *Financial Reporting Council Revised Ethical Standard 2024* – Extract

Permitted Non-Audit / Additional Services for Public Interest Entities

5.40 *An audit firm carrying out statutory audits of public interest entities and, where the audit firm belongs to a network, any member of such network, shall not provide (either directly or indirectly) to the audited entity, to its UK parent undertaking or to its worldwide controlled undertakings, services other than those set out in the rest of this paragraph, subject to the approval of the audit committee after it has properly assessed threats to independence and the safeguards applied in accordance with this Ethical Standard.*

Services required by law or regulation and exempt from the non-audit services cap

- Reporting required by a competent authority or regulator under law or regulation for example;
 - Reporting to a regulator on client assets;
 - Reporting to a regulator on regulatory financial statements;
 - Reporting on a Solvency and Financial Condition Report under Solvency II.
- In the case of a controlled undertaking incorporated and based in a third country, reporting required by law or regulation in that jurisdiction where the auditor is permitted to undertake that engagement;
- Reports, required by or supplied to competent authorities / regulators supervising the audited entity, where the authority / regulator has either specified the auditor to provide the service or identified to the entity that the auditor would be an appropriate choice for service provider;
- Services which support the entity in fulfilling an obligation required by UK law or regulation, including listing requirements, where: the provision of such services is time critical; the subject matter of the engagement is price sensitive; and it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor for the audit of the financial statements is relevant to the service, and where the nature of the service would not compromise independence.

Services subject to the non-audit services cap

Non-Audit Services Cap: No more than 70% of the average of the fees paid in the last three consecutive financial years for the audit(s) of the audited entity and of its controlled undertakings and of the consolidated financial statements of that group of undertakings.

- Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation;
- Where not otherwise required by law or regulation, non-audit and additional services, as defined in the Ethical Standard provided as auditor of the entity, or as reporting accountant, in relation to information of the audited entity for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity obtained by the auditor is relevant to the service, and where the nature of the service would not compromise independence;

- Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an entity relevant to an engagement or a third-party service provider, where this work is closely linked with the audit work;
- Reporting on the iXBRL tagging of financial statements in accordance with the European Single Electronic Format for annual financial reports. In situations involving a dual listed entity where iXBRL tagging assurance is required by the laws and regulations of an other jurisdiction, then the part of the fee relating to such an other jurisdiction is not subject to the fee cap;
- Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an entity relevant to an engagement;
- Reporting on government grants;
- Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom the entity relevant to an engagement has a business relationship in accordance with Appendix C of this Ethical Standard;
- Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177);
- Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.